THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) No, Sir.

(b) and (c) Do not arise.

Permission to States for getting loans from World Bank / foreign countries

5029. SHRI AIMADUDDINAHMED KHAN (DURRU): Will the Minister of FINANCE be pleased to state:

(a) whether Government have been contemplating a new economic policy permitting the State Governments to supplement the overdrafts from the Reserve Bank of India with Structural Adjustment Loans from the World Bank and the Central Government's grants with grants direct from foreign countries, to enable the States to overcome revenue deficits; if so, whether any decision has been taken in this regard; and

(b) whether any of the State Governments has been granted such permission, if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) and (b) No, Sir. State Governments are not allowed to directly borrow or receive grants from World Bank / foreign countries. However, Government of India, in the instance of three States, has taken World Bank assistance to supplement the resources required for fiscal reforms in these States. This amount is passed on to the States as Additional Central Assistance. The States which have availed of such assistance are Uttar Pradesh, Karnataka and Andhra Pradesh.

Bank lending for Food and Agro Processing Sector

5030. DR. DASARI NARAYANA RAO: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that loans given by banks to food and agro processing sector falls under priority sector lending and achievements of banks in this regard is monitored regularly by RBI; and

(b) if so, the details of the performance of each public sector bank in lending to food and agro processing sector during the last two years, year-wise and State-wise?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL); (a) Reserve Bank of India (RBI) has reported that the following items within the food and agro-based processing